

Powell's Valley Water District  
31 Adams Ridge Road  
P.O. Box 550  
Clay City, Kentucky 40312  
606 663-5870

RECEIVED  
APR 28 2009  
PUBLIC SERVICE  
COMMISSION

April 24, 2009

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Re: Case No. 2008-00506 and 2008-00512

To Whom It May Concern:

The District has received the order for the water and sewer rate increases. However, upon review of the order we have an objection concerning the time line given to the District to have a new computer system and software system implemented.

At this time, the deadline set forth by the order dated April 14, 2009 cannot be met due to the District's financial obligations to Rural Development for Bond Interest payments due July 1, 2009.

The Board realizes the need to update the accounting software and hardware but at this time due to the current financial situation the District does not have the means to purchase a new computer and software operating system.

We are asking for a separate review of our current computer system by the Public Service Commission. We have enclosed a copy of a letter from our auditor, Mr. John T. Lane C.P.A. concerning his requirements at audit time

and addressing the issue of the quality of reports and records used during his yearly audits.

If you have any questions, please call our office 606 663-5870.

Sincerely,

A handwritten signature in black ink that reads "Stephen Everman". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Stephen Everman, Chairman  
Powell's Valley Water District

CC: Public Service Commission

David L. Armstrong

Pamela J. Ayer

William H. Bowker

Todd Osterloh

CC: Rural Delopement

Pamela Farmer

JOHN T. LANE AND ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANT

219 YOUNG LANE, SUITE 2

MT. STERLING, KY 40353

(859) 498-9915

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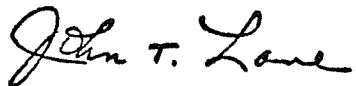
February 9, 2009

Powell's Valley Water District  
31 Adams Ridge Road  
Clay City, KY 40312

To Whom It May Concern:

As the auditor of Powell's Valley Water District for many years, I have never had any issues with tracing individual invoices to reports generated by the District which were entered as monthly summations on the general ledger.

Sincerely,

A handwritten signature in cursive script that reads "John T. Lane".

John T. Lane